BRITISH COLUMBIA

BC STATS

Service BC
Ministry of Labour & Citizens' Services

Infoline

Contact: bcstats.infoline@gov.bc.ca

Issue: 07-15 April 13th, 2007

- **Investment in non-residential building construction rises 5.7% in first quarter**
- **Housing starts rebound in February**
- **New house prices inch up in Victoria, but rise substantially in Vancouver in February**

The Economy

- **Exports of BC products slipped 7.5% (*unadjusted*) in February as the value of forestry (-14.5%), industrial (-7.5%) and energy (-4.8%) exports fell.** PEI (-5.9%) and Alberta (-0.1%) were the only other provinces to record a downturn in exports relative to the same month of 2006. The rest of the provinces saw increases ranging from 1.4% in Ontario to 21.9% in New Brunswick. *Data Source: Statistics Canada*
  Note: these numbers are unadjusted. Seasonally adjusted BC data will be released next week.

- **Canadian exports dropped 2.1% (*seasonally adjusted*) in February, as a surge in the value of energy (+16.3%) shipments was not enough to offset slumps in every other commodity group.** Excluding energy, exports would have plummeted 5.8%. The overall decline was due in part to a 15-day railway strike. US-bound exports remained flat (+0.0% to $30.9 million), pulled down by weak shipments of automotive and forestry products. Exports to the European Union (-10.0%) and Japan (-2.9%) were down significantly. *Data Source: Statistics Canada*

- **Investment in non-residential building construction in the province increased 5.7% (*seasonally adjusted*) to $1.4 billion in the first quarter of 2007, reaching an all-time high.** The investment growth was driven by increased spending in the industrial (+21.1%), commercial (+5.2%) and institutional & government (+2.9%) sectors.

  Growth in non-residential building construction activity was highest in Abbotsford (+7.5% to $81 million) and Vancouver (+6.3% to $771 million). Kelowna also recorded an increase (+4.5%, to $44 million) in the first quarter, but investment in Victoria slipped (-4.0%, to $90 million).

  Canadian non-residential construction expenditures grew a moderate 3.3% in the first quarter. Robust office building construction activity in Western Canada bolstered investment growth in the commercial sector (+5.0%), marking the 14th consecutive quarterly gain. The institutional (+1.3%) and industrial (+0.2%) components also saw increases at the national level. Provincially, Alberta recorded by far the biggest first-quarter increase in dollar value terms, with spending rising (+11.8%) to $2.1 billion. *Data Source: Statistics Canada*

- **Housing starts in the province rebounded (+9.9%, *seasonally adjusted*) in March, after plunging in February (-16.1%).** With the exception of Nova Scotia (-47.7%) and Newfoundland (-34.5%), new home building activity was up or unchanged in all provinces. Canadian starts climbed 7.6%, with increases ranging from 0.2% in Ontario to 58.6% in New Brunswick. *Data Source: CMHC*

- **The cost of new housing in BC's two largest metropolitan areas rose in February.** In Victoria, new housing prices inched up 0.3% over the same month of 2006, while homebuilders in the Vancouver area received an average of 6.0% more for their projects. New housing prices in Vancouver have been rising rapidly since at least 2002, as the cost of both land and buildings has increased. In recent months, house prices in particular have been exerting inflationary pressure on new housing costs. In February, land value was up slightly (+0.5%) in BC's most populous city, while the price for new housing rose 8.8%. In the capital city, the cost of land rose 5.2% over February of last

Report Is the Sun Rising on Trade with Japan?

Did you know...
In the US, an estimated $800 to $900 million is lost in business on Friday the 13th because some people will not fly or conduct business as usual.
Source: Ashville Stress Management and Phobia Centre

year, as house prices continued to decline (-3.5%).

Nationally, new housing prices were 10.0% higher in February than in the same month of 2006, backed by sustained increases in Alberta. Every metropolitan area save Windsor, Ontario (-2.5%) saw new housing prices rise in February. Edmonton (+42.5%) had the largest increase, followed by Calgary (+37.8%) and Saskatoon (+16.1%). *Data Source: Statistics Canada*

Nutrition

- **Most Canadians exceed the recommended dosage of sodium in their daily diets.** Tolerable upper intake levels range from 1,500 to 2,200 milligrams a day for children aged one to three to a maximum of 2,300 mg for people aged 14 and over. In 2004, the average Canadian ingested 3,092 milligrams per day, well over the maximum tolerable level. The upper limit was surpassed by more than 85% of men aged 19 to 70 and 60% of women. Children also consumed too much sodium, with 93% of those aged four to eight exceeding the recommended daily limit. Along with Quebec, the average salt consumption in BC was highest among the provinces in 2004, while Ontario's was lowest. The "sandwich" category, which includes pizza, sandwiches, subs, hamburgers and hotdogs accounted for the largest proportion of sodium intake (19%), but soups (7%) and pasta dishes (6%) were also partly to blame.
Data Source: SC Cat. # 82-003-XIVE

- **In 2004, Canadian adults (aged 19 and over) received about 22% of their daily calorie intake from foods outside the main dietary food groups.** Foods classified as "other foods" include butter and cooking oils, condiments, jam, honey, candies, chips and beverages such as soft drinks and alcohol. Soft drinks (11.3%) and salad dressings (9.4%) accounted for the highest proportions of caloric intake in this food category. *Data Source: SC Cat. # 82-003-XIVE*

Farm-Work Injuries

- **Farm workers under the age of 35 are more likely to suffer an injury on the job than are older workers (aged 55 and over).** Not surprisingly, the number of hours worked was also a factor in probability of injury. Operators who worked more than 40 hours a week were more likely to report an injury than were those who worked less than 20 hours weekly. Workers who manage a sizeable cattle herd, or large cultivation area were at a higher risk, while poultry and field crop farm operators were the least likely to suffer an injury. In 2001, there were 9,617 on-site injuries reported by Canadian farm workers. *Data Source: SC Cat. #21-601-MIE2007084*

Not a Bird, Not a Plane?

- **The skies over BC were filled with strange flying objects last year, with 209 UFO sightings reported.** That's down from the record 304 UFOs reported in 2003, but still represents the highest regional proportion (28%) in the country. Ontario also seems to attract more attention from UFOs, with 188 sightings in 2006. Saskatchewan posted a record 98 sightings, and over half of those came from the tiny community of Maidstone. Among Canadian metropolitan areas, the greater Vancouver area (78) had the most UFO reports, with Toronto sitting at a distant second (39). Four of the country's 738 sightings reported last year were supposed encounters with figures or entities, and only one involved an alleged abduction or contact experience. *Data Source: Canadian UFO Survey, 2006*

Oops!

We were spaced out last week...a bullet in the April 5th issue of highlights contained some incorrect data. It should have read as follows:

North Coast (-15.4%) and Nechako (-26.1%) were the only regions where building permits fell during the first two months of the year, compared to the same period in 2006. Among the other regions, Cariboo (+6.6%) was the only one that failed to post a double-digit increase. The biggest increase was in Kootenay (+78.7%). Mainland/Southwest (+47.3%), Thompson Okanagan (+19.8%), Vancouver Island/Coast (+18.0%) and Northeast (+18.4%) also recorded solid gains. *Data Source: Statistics Canada & BC Stats*

Infoline *Issue: 07-15*
April 13th, 2007

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

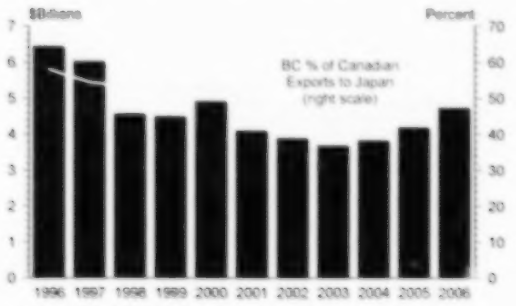
Issue: 07-15
Apr 13, 2007

Contact: Dan Schrier (250) 387-0376
Originally published in *Exports* Issue 07-01

Is the Sun Rising on Trade with Japan?

Japan's economy has undergone somewhat of a resurgence in the last few years and there are some positive signs that the country may finally be climbing out of its economic doldrums. If so, this would be good news for British Columbia exporters. In the early 1990s, Japan was the destination for over a quarter of BC's commodity exports, but an economic downturn in the mid-1990s reduced Japan's demand for the raw materials that comprised the majority of BC's exports to that country. In 2005, the share of BC's total exports that was destined for Japan dropped to a low of 12.2%, less than half of what it was just a decade earlier. However, in 2006, exports to Japan were on the rebound, with Japan's share of BC's exports rising to 14.1%.

British Columbia exports to Japan are starting to rebound

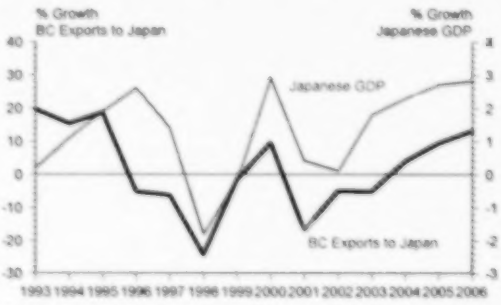


Source: Statistics Canada

Goods shipments from BC to Japan jumped 13.0% in 2006, coinciding with a fairly strong increase of 2.8% in Japanese GDP. Over the last decade, the change in value of BC exports to Japan has followed the trend in growth of Japan's GDP fairly closely. When Japan's economy went into recession in 1998, there was a substantial 24.4% plunge in the value of Japanese imports of goods from British Columbia. When the Japanese economy appeared to turn the corner in 2000, BC exports to Japan jumped 9.5%; however they slumped again when Japan's GDP growth hovered near zero for the next couple of years.

The concentration of raw materials in BC's exports to Japan is the main reason why the volume of shipments is so closely tied to production in Japan. When the Japanese economy is booming, the manufacturing sector is usually thriving. As a result, there is more demand for the materials used in manufacturing goods. These materials comprise the large majority of goods exported from BC to Japan.

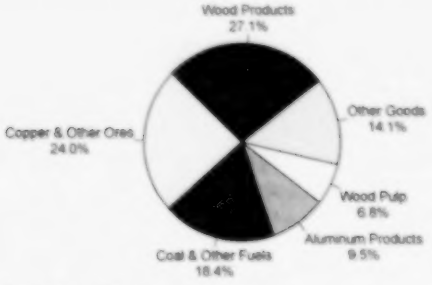
Japan's economic performance has a direct effect on Japanese demand for goods from British Columbia


% Growth
BC Exports to Japan
% Growth
Japanese GDP
Japanese GDP
BC Exports to Japan
1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006

Sources: Statistics Canada, IMF

In 2006, just over half of all goods shipped from BC to Japan consisted of either wood products (27%) or copper and other metallic ores and concentrates (24%). Coal and other mineral fuels made up another 18% of BC's goods shipments to Japan, while aluminum and products made from aluminum comprised another 10%.

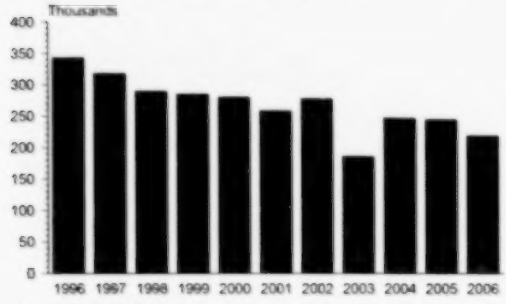
BC exports to Japan are dominated by a handful of commodities



Source: Statistics Canada

The connection between growth in BC exports to Japan and the strength of the Japanese economy is fairly clear, but it is less apparent whether or not there is the same influence on service exports. While there is not a lot of data available on BC's trade in services with Japan, the figures for visits to British Columbia by Japanese tourists seem to indicate that the value of service exports is likely down from what it was in the early 1990s. Over the last decade, the volume of Japanese tourists visiting the province has steadily declined. With the exception of 2003, when the SARS scare kept many Japanese travellers at home, 2006 marked the lowest level for Japanese tourist traffic through BC since 1992.

The volume of tourists from Japan to BC has been in decline over the last decade



Source: Statistics Canada

Of course, it is possible that exports of other services offset declines in tourism revenue, but based on data for Canada as a whole, this seems somewhat unlikely. Although Canadian service exports to Japan rose significantly in 2000 and 2001, they slumped back down to mid-1990s levels by 2004. At best, British Columbia service exports to Japan have likely remained flat over the last decade and, at worst, they may have declined somewhat.

If there is a revitalization of Japan's economy, it may have a positive effect on tourism to BC as well as other trade in services. Even if service exports do not grow, it is almost a certainty that a more robust economic performance for Japan will translate into an increase in commodity exports from BC to that country. However, there are some signs that may indicate that the talk of economic resurgence in Japan is premature.

Although Japan has finally raised interest rates up from zero, they are still extremely low. Nevertheless, consumer spending and retail sales are basically flat. While the business sector appears to be doing better, it appears that consumers haven't bought into the recovery yet. If this signals that Japan's economy still has a way to go before a complete recovery, BC exporters may have to wait before recapturing that market. However, if Japan's economy begins to take off, BC exporters will benefit and the province could be partially sheltered if there is a downturn in the United States.

Infoline

April 13, 2007
Issue 07-15

fax transmission information service from **BC STATS**

Email transmission information service from **BC STATS**

also on the Internet at **www.bcstats.gov.bc.ca**

BC at a glance . . .

POPULATION (thousands)	Jan 1/07	% change on one year ago
BC	4,338.1	1.3
Canada	32,777.3	1.0
GDP and INCOME (Revised Nov 8)		
(BC - at market prices)	2005	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	168,855	7.2
GDP *($ 1997 millions)*	145,501	3.7
GDP *($ 1997 per Capita)*	34,173	2.4
Personal Disposable Income *($ 1997 per Capita)*	20,983	2.4
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jan	3,470	-0.4
Merchandise Exports - Jan	2,747	-0.4
Retail Sales - Jan	4,559	1.5
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Feb 2007)	one year ago	% change
BC	2.2	1.8
Vancouver	2.8	2.1
Victoria	1.8	1.6
Canada	2.0	1.9
LABOUR FORCE (thousands)		
(seasonally adjusted)	Mar '07	% change on prev. month
Labour Force - BC	2,357	0.4
Employed - BC	2,265	0.6
Unemployed - BC	92	-2.9
		Feb '07
Unemployment Rate - BC *(percent)*	3.9	4.0
Unemployment Rate - Canada *(percent)*	6.1	6.1
INTEREST RATES (percent)	Apr 11/07	Apr 12/06
Prime Business Rate	6.00	5.50
Conventional Mortgages - 1 year	6.60	6.15
- 5 year	6.64	6.60
US/CANADA EXCHANGE RATE	Apr 11/07	Apr 12/06
(avg. noon spot rate) Cdn $	1.1450	1.1478
US $ *(reciprocal of the closing rate)*	0.8773	0.8724
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Mar '07	% change on one year ago
BC	743.18	3.5
Canada	735.11	1.9

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Socio-Economic Profiles & Indices

The 2006 edition of these widely monitored reports provide the most complete and up-to-date basis for measuring and comparing the social and economic dimensions of regions in the province. Released April 4.

www.bcstats.gov.bc.ca/data/sep/index.asp

High Technology Sector - 2006

The high technology sector is a growing part of British Columbia's diverse economy, offering the prospect of strong economic growth in the years to come as well as a local source of technology inputs to the province's resource-based industries.

Our latest *Profile* and *Input Indicators* reports are now available.

www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Manufacturers' Directory 2007

Over 600 pages

Sources, leads, opportunity – whatever you make of it – the 2007 Directory is packed full of current information on more than 4,800 firms operating in British Columbia.

$45 plus taxes. Order now.

Tel: (250) 387-0359
FAX: (250) 387-0380

Searchable on-line at www.made-in-bc.ca

2007 British Columbia Manufacturers' Directory
www.bcstats.gov.bc.ca/pubs/pr_bcmd.asp

Released this week by BC STATS

- Tourism Sector Monitor, March 2007

Next week

- Exports, January 2007
- Consumer Price Index, March 2007

BC STATS, Ministry of Labour and Citizens' Services, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca